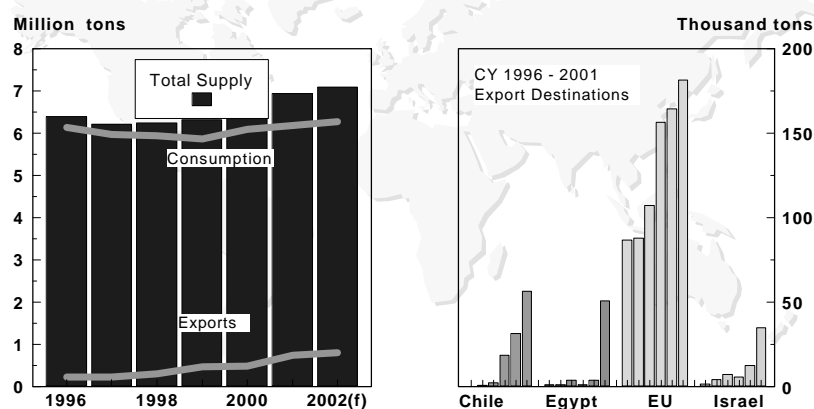


Brazil's Cattle and Beef Situation

	1996	1997	1998	1999	2000	2001(p)	2002 (f)
Cattle (1,000 head)							
Total Supply*	183,356	180,136	179,198	180,017	184,649	191,849	201,341
Slaughter	31,144	29,514	29,805	29,500	30,467	31,860	32,240
Beef (1,000 tons; carcass weight equivalent)							
Production	6,150	6,050	6,140	6,270	6,520	6,895	7,050
Imports	181	145	102	52	69	43	30
Consumption	6,147	5,973	5,941	5,861	6,090	6,190	6,280
Exports	224	232	306	464	492	748	800

* Total supply = beginning inventories + calf crop + imports.

Brazil's Beef Exports Skyrocketing Into New Markets While Maintaining Established Ones



Brazil's beef exports are forecast at a record 800,000 tons in 2002, building on a string of records. Brazil is the world's third largest beef exporter. Coupled with a weak currency, Brazil was able to expand exports in 2001 as disease outbreaks in other global beef exporters (FMD in Argentina and Uruguay, and BSE and FMD in the EU) cut competition. Brazil was able to increase its worldwide beef exports by 50 percent over the previous year. In addition to expanding its existing major markets, such as the EU and Chile, Brazil made significant inroads into a range of new markets, including Egypt, Iran, and Saudi Arabia. Beef production in 2002 is again forecast higher, as producers bet on booming beef export prospects and increasing domestic consumption. Aggressive marketing campaigns in the EU touting Brazilian beef as natural and grass-fed and new beef trading agreements with Russia should help Brazil maintain its markets, even in the face of Argentina and Uruguay reentering the world beef markets. U.S. beef exports to Brazil totaled \$392,000 in 2001 and consisted mainly of processed beef.